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A DTE Energy Company

September 20, 2001

Ms. Carol Hanlon
U.S. Department of Energy
Yucca Mountain Site Characterization Office (M/S #025)
P.O. Box 30307,
North Las Vegas, Nevada 89036-0307

Subject: **Comments on the Possible Site Recommendation for Yucca Mountain**

Dear Ms. Hanlon,

On August 21 and 30, 2001 (66 Fed Reg. 43851 and 66 Fed Reg. 45845), the Department of Energy (DOE) announced the issuance of the "Yucca Mountain Preliminary Site Suitability Evaluation (PSSE)." Public comments were solicited regarding the possible recommendation, by the Secretary of Energy to the President, of the Yucca Mountain Site in Nevada for development as a spent nuclear fuel and high-level radioactive waste repository. I am pleased to offer these comments, on behalf of DTE Energy, owner and operator of the Fermi 2 Power Plant located in Monroe County, Michigan.

DTE Energy encourages the Secretary of Energy to recommend the development of the Yucca Mountain Site as a spent nuclear fuel repository to the President. The development of the Yucca Mountain Site as a spent nuclear fuel repository is necessary to preserve nuclear power as an important domestic contributor to the nation's energy mix. Development of the repository will remove uncertainty regarding the disposition used nuclear fuel and can reduce additional costs associated with at-plant fuel storage expansion from burdening our customers.

The Fermi 2 Power Plant is a 1217 megawatt boiling water reactor. The plant has operated since 1985 and accounts for approximately 20% of DTE Energy's total annual electrical generation. The current license term expires in 2025. All used fuel discharged to date from the plant remains in pool storage at the plant. Prior to the first refueling outage in 1989, the capacity of the fuel storage pool was increased to accommodate plant operation while a national nuclear waste policy and infrastructure were to be developed. This initial expansion of fuel storage capacity cost of approximately two million dollars and accommodated fuel storage needs through this year.

As the development of a spent fuel repository continued to be delayed, additional storage capacity was planned in instituted this year at a cost of approximately five million dollars. This added capacity is sufficient to accommodate plant operation through 2007. A further expansion will be required at an additional cost of approximately five million dollars to accommodate plant operation through 2010.

These fuel storage expansions are being accomplished by the installation of new higher density storage racks in existing space in the fuel storage pool. Although additional storage capacity is possible in the storage pool to accommodate operation beyond 2010, expansion becomes technically more complex. The maximum capacity that could be obtained through modifications to the fuel storage pool would accommodate continued plant operation through 2015, ten years short of the expiration of the current term of the plant operating license.

As a result of the technical complexity and costs associated with in pool storage expansion beyond 2010, DTE Energy is currently planning to transition to on-site dry fuel storage. The incremental costs of on-site dry fuel storage to accommodate plant operation and decommissioning between 2010 and 2030 are estimated at more than $150 million. Additional costs of approximately $100 million would be incurred for fuel storage on-site beyond the present term of the Fermi 2 operating license, absent development of a spent fuel repository, should DTE Energy pursue license renewal. Therefore, the status of the repository development will be significant in our future decisions regarding license renewal.

The costs associated with on-site fuel storage expansion are in addition to the $78 million paid already by our customers to the Nuclear Waste Fund through June 30, 2001. Our customers' continuing annual obligation to the Nuclear Waste Fund is approximately nine million dollars per year based on our currently expected generation performance.

While the economic implications of siting a spent nuclear fuel repository are vitally important to DTE Energy, our customers, the nuclear power industry, and the nation as a whole, DTE Energy recognizes that the Secretary of Energy's recommendation to the President must have sound scientific bases. The Nuclear Energy Institute, on behalf of the nuclear power industry has extensively reviewed the Yucca Mountain Preliminary Site Suitability Evaluation and the underlying scientific studies on which it is based. DTE Energy has reviewed and supports the comments submitted to the Department of Energy by the Nuclear Energy Institute on August 31, 2001. DTE Energy believes that the PSSE and underlying studies, based on a nearly 20 year long site characterization program, provide the Secretary of Energy with the sound scientific bases to support a recommendation to the President to develop the Yucca Mountain Site as a spent nuclear fuel repository.

DTE Energy urges that the Secretary of Energy to do so in a timely manner.

Sincerely,

William J. O'Connor Jr

PWS/jag

GP-01-0044

cc: G. M. Anderson
A. F. Earley
D. R. Gipson
P. Marquardt
F. Shell

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